

Welling

WELLING HOLDING LIMITED
威靈控股有限公司

Stock Code 股份代號 : 382



INTERIM
REPORT
2010
中期報告

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. CAI Qiwu (*Chairman*)
Mr. JIANG Deqing (*Chief Executive Officer*)
Mr. QU Fei
Mr. GAO Fazhong
Ms. YUAN Liqun
Mr. LI Jianwei
Mr. ZHENG Weikang

Independent Non-executive Directors

Mr. TAN Jinsong
Mr. LAM Ming Yung
Ms. CHEN Chunhua

AUDIT COMMITTEE

Mr. TAN Jinsong (*Chairman*)
Mr. LAM Ming Yung
Ms. CHEN Chunhua

REMUNERATION COMMITTEE

Ms. CHEN Chunhua (*Chairman*)
Mr. TAN Jinsong
Mr. LAM Ming Yung
Mr. CAI Qiwu
Mr. ZHENG Weikang

EXECUTIVE COMMITTEE

Mr. CAI Qiwu
Mr. JIANG Deqing
Mr. QU Fei
Mr. GAO Fazhong
Ms. YUAN Liqun
Mr. LI Jianwei
Mr. ZHENG Weikang

COMPANY SECRETARY

Ms. TANG Wai Ying, Tracy *CPA FCCA*

公司資料

董事

執行董事

蔡其武先生(*主席*)
姜德清先生(*首席執行官*)
瞿飛先生
郜發忠先生
袁利群女士
栗建偉先生
鄭偉康先生

獨立非執行董事

譚勁松先生
林明勇先生
陳春花女士

審核委員會

譚勁松先生(*主席*)
林明勇先生
陳春花女士

薪酬委員會

陳春花女士(*主席*)
譚勁松先生
林明勇先生
蔡其武先生
鄭偉康先生

行政委員會

蔡其武先生
姜德清先生
瞿飛先生
郜發忠先生
袁利群女士
栗建偉先生
鄭偉康先生

公司秘書

鄧惠英女士 · *CPA FCCA*

CORPORATE INFORMATION (Continued)

REGISTERED OFFICE

Suite 3904, 39/F, Tower 6
The Gateway, Harbour City
9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

LEGAL ADVISERS

Richards Butler
20th Floor, Alexandra House
16-20 Chater Road
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor Prince's Building
Central
Hong Kong

PRINCIPAL BANKERS

Bank of China Ltd.
Agricultural Bank of China
Industrial and Commercial Bank of China Ltd.
Foshan Shunde Rural Credit Union
China Merchants Bank Co., Ltd.
Bank of Communications Co., Ltd.

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

WEBSITE ADDRESS

<http://www.welling.com.cn>

STOCK CODE

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公司資料(續)

註冊辦事處

香港
九龍
尖沙咀
廣東道9號
海港城港威大廈
第六座39樓3904室

法律顧問

齊伯禮律師行
香港
遮打道16-20號
歷山大廈20樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈二十二樓

主要銀行

中國銀行股份有限公司
中國農業銀行
中國工商銀行股份有限公司
佛山市順德區農村信用合作聯社
招商銀行股份有限公司
交通銀行股份有限公司

股份過戶登記處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心17M樓

公司網址

<http://www.welling.com.cn>

股份代號

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INTERIM RESULTS

The directors (the “Directors”) of Welling Holding Limited (the “Company”) hereby present the unaudited consolidated results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 June 2010, together with the comparative figures for 2009. These condensed consolidated interim financial information have not been audited, but have been reviewed by the Company’s audit committee (“Audit Committee”).

中期業績

威靈控股有限公司(「本公司」)董事(「董事」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零一零年六月三十日止六個月之未經審核綜合業績，連同二零零九年之比較數字。該等簡明綜合中期財務資料未經審核，但已由本公司之審核委員會(「審核委員會」)審閱。

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

簡明綜合中期收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2010

截至二零一零年六月三十日止六個月

Unaudited
未經審核
Six months ended 30 June
截至六月三十日止六個月

		Note 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Revenue	收益	4	4,109,908	2,235,210
Cost of goods sold	銷售貨品成本		(3,568,557)	(1,892,329)
Gross profit	毛利		541,351	342,881
Other gains — net	其他收益 — 淨額	5	25,844	26,627
Selling and marketing costs	銷售及市場推廣成本		(55,404)	(40,063)
Administrative expenses	行政開支		(131,627)	(106,404)
Operating profit	經營利潤		380,164	223,041
Finance costs	融資成本		(18,750)	(11,580)
Finance income	融資收入		2,308	2,391
Finance costs — net	融資成本 — 淨額	7	(16,442)	(9,189)
Share of profit of associates	佔聯營公司利潤		7,059	—
Profit before income tax	扣除所得稅前利潤		370,781	213,852
Income tax expense	所得稅開支	8	(72,302)	(35,655)
Profit for the period attributable to the owners of the Company	本公司擁有人應佔期間利潤		298,479	178,197
Earnings per share for profit attributable to the owners of the Company, expressed in HK cents per share	本公司擁有人應佔每股盈利，以每股港仙列示			
— basic	— 基本	9	2.17	1.32
— diluted	— 攤薄	9	2.15	1.31
Dividends	股息	10	—	—

The notes on pages 10 to 33 form an integral part of this condensed consolidated interim financial information.

於第10至33頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

簡明綜合中期全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2010

截至二零一零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Profit for the period	期間利潤	298,479	178,197
Other comprehensive income/(loss)	其他全面收入／(虧損)		
Currency translation differences	貨幣匯兌差異	13,620	(1,046)
Other comprehensive income/(loss) for the period, net of tax	扣除稅項後之期間其他全面收入／(虧損)	13,620	(1,046)
Total comprehensive income for the period	期間全面收入總額	312,099	177,151

The notes on pages 10 to 33 form an integral part of this condensed consolidated interim financial information.

於第10至33頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

簡明綜合中期財務狀況表

AS AT 30 JUNE 2010

於二零一零年六月三十日

		Note	Unaudited 未經審核 30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	Audited 經審核 31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
		附註		
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	11	124,175	124,496
Property, plant and equipment	物業、廠房及設備	11	771,975	699,543
Goodwill	商譽		22,616	22,408
Investments in associates	聯營公司投資		215,988	206,966
Deferred income tax assets	遞延所得稅資產		27,619	21,856
Available-for-sale financial assets	可供出售金融資產		28,657	28,393
Prepayment for property, plant and equipment	預付物業、廠房及設備款項	13	6,595	3,816
			1,197,625	1,107,478
Current assets	流動資產			
Inventories	存貨	12	719,292	669,192
Trade and other receivables	貿易及其他應收款	13	1,598,891	1,241,138
Due from related companies	應收關聯公司款項	21(c)	2,074,205	1,248,138
Derivative financial instruments	衍生金融工具		29,033	25,708
Pledged bank deposits	已抵押銀行存款		44,065	49,081
Cash and cash equivalents	現金及現金等價物		629,348	257,478
			5,094,834	3,490,735
Total assets	總資產		6,292,459	4,598,213
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔股本及儲備			
Share capital	股本	14	1,408,795	1,347,931
Other reserves	其他儲備	15	474,937	272,043
Accumulated losses	累計虧損			
Others	其他		(257,328)	(552,655)
Proposed final dividend	建議末期股息		—	67,397
Total equity	權益總額		1,626,404	1,134,716

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Continued)

簡明綜合中期財務狀況表(續)

AS AT 30 JUNE 2010

於二零一零年六月三十日

		Note 附註	Unaudited 未經審核 30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	Audited 經審核 31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	16	234,728	160,000
Deferred income tax liabilities	遞延所得稅負債		39,849	25,235
			274,577	185,235
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	17	3,492,530	2,598,798
Due to related companies	應付關聯公司款項	21(c)	179,753	178,615
Derivative financial instruments	衍生金融工具		3,325	902
Current income tax liabilities	即期所得稅負債		66,724	30,845
Borrowings	借款	16	649,146	469,102
			4,391,478	3,278,262
Total liabilities	總負債		4,666,055	3,463,497
Total equity and liabilities	權益及負債總額		6,292,459	4,598,213
Net current assets	流動資產淨額		703,356	212,473
Total assets less current liabilities	總資產減流動負債		1,900,981	1,319,951

The notes on pages 10 to 33 form an integral part of this condensed consolidated interim financial information.

於第10至33頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

簡明綜合中期權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2010

截至二零一零年六月三十日止六個月

		Unaudited 未經審核			
		Attributable to the owners of the Company 本公司擁有人應佔			
		Share capital 股本	Other reserves 其他儲備	Accumulated losses 累計虧損	Total equity 權益總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Balance at 1 January 2009	於二零零九年一月一日之結餘	1,347,931	227,921	(805,210)	770,642
Profit for the period	期內利潤	—	—	178,197	178,197
Other comprehensive loss:	其他全面虧損：				
Currency translation differences	貨幣匯兌差異	—	(1,046)	—	(1,046)
Total comprehensive (loss)/income	全面(虧損)/收入總額	—	(1,046)	178,197	177,151
Transactions with owners in their capacity as owners:	與以其擁有人身分的擁有人進行交易：				
Transfer to statutory reserves	轉撥至法定儲備	—	15,623	(15,623)	—
Employee share option scheme	僱員購股權計劃				
— value of services provided	— 所提供服務之價值	—	5,076	—	5,076
Total transactions with owners	與擁有人進行之交易總額	—	20,699	(15,623)	5,076
Balance at 30 June 2009	於二零零九年六月三十日之結餘	1,347,931	247,574	(642,636)	952,869
Balance at 1 January 2010	於二零一零年一月一日之結餘	1,347,931	272,043	(485,258)	1,134,716
Profit for the period	期內利潤	—	—	298,479	298,479
Other comprehensive income:	其他全面收入：				
Currency translation differences	貨幣匯兌差異	—	13,620	—	13,620
Total comprehensive income	全面收入總額	—	13,620	298,479	312,099
Transactions with owners in their capacity as owners:	與以其擁有人身分的擁有人進行交易：				
Issuance of shares	發行股份	60,000	192,000	—	252,000
Share issuance expenses	股份發行開支	—	(6,557)	—	(6,557)
Transfer to statutory reserves	轉撥至法定儲備	—	127	(127)	—
Employee share option scheme	僱員購股權計劃				
— value of services provided	— 所提供服務之價值	—	3,228	—	3,228
— proceeds from shares issued	— 股份發行所得款項	864	476	—	1,340
Year 2009 final dividend	二零零九年末期股息	—	—	(70,422)	(70,422)
Total transactions with owners	與擁有人進行之交易總額	60,864	189,274	(70,549)	179,589
Balance at 30 June 2010	於二零一零年六月三十日之結餘	1,408,795	474,937	(257,328)	1,626,404

The notes on pages 10 to 33 form an integral part of this condensed consolidated interim financial information.

於第10至33頁之附註為此簡明綜合中期財務資料之一部分。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

簡明綜合中期現金流量表

FOR THE SIX MONTHS ENDED 30 JUNE 2010

截至二零一零年六月三十日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Net cash inflow from operating activities	經營活動之現金流入淨額	43,741	104,365
Cash flows from investing activities	投資活動之現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(121,302)	(94,556)
Receipt of government grant	收取政府補貼	3,715	2,448
Proceeds of disposals of property, plant and equipment	出售物業、廠房及設備所得款項	9,567	3,280
Net cash used in investing activities	投資活動所用之現金淨額	(108,020)	(88,828)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from borrowings	借款所得款項	746,800	691,299
Repayment of borrowings	償還借款	(492,028)	(600,263)
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	5,016	(21,585)
Dividends paid to owners of the Company	派付本公司擁有人股息	(70,422)	—
Proceeds from issuance of ordinary shares	發行普通股所得款項	253,340	—
Shares issuance expenses	股份發行開支	(6,557)	—
Net cash generated from financing activities	融資活動產生之現金淨額	436,149	69,451
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	371,870	84,988
Cash and cash equivalents at beginning of the period	期初之現金及現金等價物	257,478	217,124
Cash and cash equivalents at end of the period	期末之現金及現金等價物	629,348	302,112

The notes on pages 10 to 33 form an integral part of this condensed consolidated interim financial information.

於第10至33頁之附註為此簡明綜合中期財務資料之一部分。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION 簡明綜合中期財務資料附註

1. GENERAL INFORMATION

Welling Holding Limited (the “Company”) and its subsidiaries (together the “Group”) manufacture, distribute and sell motors and electronic and electric components for electrical household appliances and trade raw materials in the People’s Republic of China (the “PRC”) and overseas.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information for the six months ended 30 June 2010 are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the board of Directors on 30 August 2010.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with Hong Kong Accounting Standard 34, “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

1. 一般資料

威靈控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在中華人民共和國(「中國」)及海外製造、分銷及出售家用電器之電機及電子電器產品，以及買賣原材料。

本公司為於香港註冊成立之有限責任公司，註冊辦事處地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。

本公司股份於香港聯合交易所有限公司主板上市。

除另有指明外，截至二零一零年六月三十日止六個月之簡明綜合中期財務資料以港幣(「港幣」)呈列。此簡明綜合中期財務資料已於二零一零年八月三十日獲董事會批准刊發。

2. 編製基準

截至二零一零年六月三十日止六個月之簡明綜合中期財務資料乃根據香港會計準則第34號「中期財務報告」編製。簡明綜合中期財務資料須與截至二零零九年十二月三十一日止年度之年度財務報表一併閱讀，該年度財務報表是根據香港財務報告準則(「香港財務報告準則」)編製。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has adopted the following new/revised HKFRSs effective on 1 January 2010:

HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidation and Separate Financial Statements
HK (IFRIC) – Int 17	Distributions of Non-Cash Assets to Owners
HKICPA's improvements to HKFRSs published in May 2009	

The adoption of these new/revised HKFRSs has no significant impact on the Group's financial statements.

4. SEGMENT INFORMATION

The principal activities of the Group are manufacture, distribution and selling of motors and electronic and electric components for electrical household appliances and trading of raw materials in the PRC and overseas.

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, the board of Directors, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the management considers the business from both business and geographical perspective.

3. 會計政策

除詳述如下，所採用之會計政策與截至二零零九年十二月三十一日止年度之年度財務報表所採用者(見有關之年度財務報表)一致。

本中期期間之所得稅按照預期年度總盈利適用之稅率計提。

本集團採納了以下於二零一零年一月一日生效的新訂/經修訂的香港財務報告準則：

香港財務報告準則第3號(經修訂)	業務合併
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產
香港會計師公會在二零零九年五月公佈對香港財務報告準則的改進	

採納這些新訂/經修訂的香港財務報告準則，對本集團的財務報表並無重大影響。

4. 分部資料

本集團之主要業務為在中國及海外製造、分銷及出售家用電器之電機及電子電器產品，以及從事買賣原材料。

根據本集團提交予負責分配資源、評估營運分部表現及作出策略性決定之主要經營決策的董事會之內部財務報告，管理層認為可從業務及地域兩方面考慮業務狀況。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

From business perspective, the Group organised into the following main business segments:

- Micro motors business — manufacture and distribution of motors for air-conditioner and refrigerator compressor
- Washing motors business — manufacture and distribution of motors for washing machine, dish washer and food processing machine
- Raw material business — trading of raw materials
- Others — manufacture and distribution of transformers, resistors, shaded pole motors and electric bicycle motors and other businesses

The chief operating decision-maker assesses the performance of the operating segments based on the profit before income tax for the period.

4. 分部資料(續)

在業務方面，本集團經營以下主要業務分部：

- 微電機業務 — 製造及分銷空調及冰箱壓縮機之電機
- 洗滌電機業務 — 製造及分銷洗衣機、洗碗碟機及食品加工之電機
- 原材料業務 — 買賣原材料
- 其他業務 — 製造及分銷變壓器、電抗器、罩極電機及電動自行車電機及其他業務

主要經營決策者根據期內扣除所得稅前利潤評估營運分部之表現。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Primary reporting format – business segments

The segment information for the six months ended 30 June 2010 are as follows:

		Micro motors business 微電機業務 HK\$'000 港幣千元	Washing motors business 洗滌電機業務 HK\$'000 港幣千元	Raw material business 原材料業務 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Gross segment revenue	總分部收益	2,612,825	1,155,497	1,531,459	339,596	—	5,639,377
Inter-segment revenue	分部間收益	(947)	(311)	(1,527,499)	(712)	—	(1,529,469)
Revenue (from external customers)	收益(來自外來客戶)	2,611,878	1,155,186	3,960	338,884	—	4,109,908
Operating profit/(loss)	經營利潤/(虧損)	216,122	136,952	14,970	17,720	(5,600)	380,164
Finance costs (Note (a))	融資成本(附註(a))	(13,675)	(1,632)	(16,146)	—	(3,443)	(34,896)
Finance income (Note (a))	融資收入(附註(a))	17,813	510	66	16	49	18,454
Finance income/(cost) – net	融資收入/(成本) – 淨額	4,138	(1,122)	(16,080)	16	(3,394)	(16,442)
Share of profit of associates	佔聯營公司利潤	—	—	—	—	7,059	7,059
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	220,260	135,830	(1,110)	17,736	(1,935)	370,781
Income tax expense	所得稅開支	(31,155)	(23,379)	—	(4,437)	(13,331)	(72,302)
Profit/(loss) for the period	期間利潤/(虧損)	189,105	112,451	(1,110)	13,299	(15,266)	298,479
Segment assets	分部資產	3,355,771	1,822,287	236,103	455,393	179,298	6,048,852
Deferred income tax assets	遞延所得稅資產						27,619
Investments in associates	聯營公司投資						215,988
Total assets	總資產						6,292,459
Segment liabilities	分部負債	2,734,274	1,493,801	86,448	309,792	1,891	4,626,206
Deferred income tax liabilities	遞延所得稅負債						39,849
Total liabilities	總負債						4,666,055
Addition of property, plant and equipment and leasehold land and land use rights	添置物業、廠房及設備和租賃土地及土地使用權	70,423	44,715	—	3,368	17	118,523
Material non-cash expenses	重大非現金開支						
Depreciation	折舊	24,432	14,874	—	3,336	28	42,670
Amortisation	攤銷	697	659	—	112	—	1,468

Note:

(a) Inter-segment interest income and inter-segment interest expenses amounted to HK\$16,146,000 were included in the finance income and finance costs respectively.

4. 分部資料(續)

主要報告形式 – 業務分部

截至二零一零年六月三十日止六個月之分部資料如下：

附註：

(a) 分部間利息收入及分部間利息成本總額港幣16,146,000元已分別計入在融資收入及融資成本內。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Primary reporting format – business segments (Continued)

The segment results for the six months ended 30 June 2009, segment assets and liabilities as at 31 December 2009 and other segment items for the six months ended 30 June 2009 are as follows:

4. 分部資料(續)

主要報告形式 – 業務分部(續)

截至二零零九年六月三十日止六個月之分部業績、於二零零九年十二月三十一日之分部資產及負債，以及截至二零零九年六月三十日止六個月之其他分部項目如下：

		Micro motors business	Washing motors business	Electronic and electric components business 電子電器 產品業務	Raw material business 原材料業務	Unallocated	Total
		微電機業務 HK\$'000 港幣千元	洗滌電機業務 HK\$'000 港幣千元	電子電器 產品業務 HK\$'000 港幣千元	原材料業務 HK\$'000 港幣千元	未分配 HK\$'000 港幣千元	合計 HK\$'000 港幣千元
Gross segment revenue	總分部收益	1,283,109	687,829	262,452	676,542	—	2,909,932
Inter-segment revenue	分部間收益	(544)	(473)	(2,089)	(671,616)	—	(674,722)
Revenue (from external customers)	收益(來自外來客戶)	1,282,565	687,356	260,363	4,926	—	2,235,210
Operating profit/(loss)	經營利潤/(虧損)	118,827	93,261	20,736	1,636	(11,419)	223,041
Finance costs	融資成本	(2,863)	(2,266)	(117)	(5,328)	(1,006)	(11,580)
Finance income	融資收入	1,329	957	65	39	1	2,391
Finance costs – net	融資成本 – 淨額	(1,534)	(1,309)	(52)	(5,289)	(1,005)	(9,189)
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	117,293	91,952	20,684	(3,653)	(12,424)	213,852
Income tax expense	所得稅開支	(18,873)	(7,545)	(2,522)	—	(6,715)	(35,655)
Profit/(loss) for the period	期間利潤/(虧損)	98,420	84,407	18,162	(3,653)	(19,139)	178,197
Segment assets	分部資產	2,149,876	1,481,234	386,572	349,854	1,855	4,369,391
Deferred income tax assets	遞延所得稅資產						21,856
Investments in associates	聯營公司投資						206,966
Total assets	總資產						4,598,213
Segment liabilities	分部負債	1,562,746	1,272,586	263,317	337,580	2,033	3,438,262
Deferred income tax liabilities	遞延所得稅負債						25,235
Total liabilities	總負債						3,463,497
Addition of property, plant and equipment and leasehold land and land use rights	添置物業、廠房及設備和租賃土地及土地使用權	76,514	31,378	3,206	—	2	111,100
Material non-cash expenses	重大非現金開支						
Depreciation	折舊	16,278	13,058	3,722	—	27	33,085
Amortisation	攤銷	694	657	110	—	—	1,461

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments

The Group is domiciled in the PRC. The Group's revenue from external customers located in the PRC and outside the PRC are presented as follows:

For the period ended 30 June 2010

		Micro motors business 微電機業務 HK\$'000 港幣千元	Washing motors business 洗滌電機業務 HK\$'000 港幣千元	Raw material business 原材料業務 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Revenue from external customers in the PRC	來自中國境內外來客戶之收益	2,244,241	704,297	3,960	316,320	3,268,818
Revenue from external customers outside the PRC	來自中國境外外來客戶之收益	367,637	450,889	—	22,564	841,090
		2,611,878	1,155,186	3,960	338,884	4,109,908

For the period ended 30 June 2009

		Micro motors business 微電機業務 HK\$'000 港幣千元	Washing motors business 洗滌電機業務 HK\$'000 港幣千元	Electronic and electric components business 電子電器 產品業務 HK\$'000 港幣千元	Raw material business 原材料業務 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Revenue from external customers in the PRC	來自中國境內外來客戶之收益	1,039,961	361,263	241,757	4,926	1,647,907
Revenue from external customers outside the PRC	來自中國境外外來客戶之收益	242,604	326,093	18,606	—	587,303
		1,282,565	687,356	260,363	4,926	2,235,210

No geographical segment analysis on non-current assets other than financial instruments, deferred income tax assets is prepared as substantially all of the Group's assets were located in the PRC.

4. 分部資料(續)

從屬報告形式 – 地區分部

本集團駐於中國。本集團來自中國境內及境外之外來客戶之收益，呈列如下：

截至二零一零年六月三十日止期間

截至二零零九年六月三十日止期間

由於本集團絕大部份資產皆位於中國，故並無編製非流動資產(金融工具、遞延所得稅資產除外)之地區分部分析。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

4. SEGMENT INFORMATION (Continued)

Information about a major customer

During the period, the Group has transactions with one (2009: one) customer which contributed to over 10% of the Group's total revenue. The revenue generated from this customer amounted to HK\$2,229,205,000 (2009: HK\$1,086,498,000).

5. OTHER GAINS – NET

4. 分部資料(續)

有關一名主要客戶之資料

於期內，本集團與一名客戶(二零零九年：一名)進行交易，佔本集團總收益逾10%。該客戶產生之收益為港幣2,229,205,000元(二零零九年：港幣1,086,498,000元)。

5. 其他收益 – 淨額

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Government grants	政府補貼	3,715	2,448
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(99)	(825)
Penalty income	罰款收入	1,750	1,044
Derivative financial instruments:	衍生金融工具：		
– net fair value (loss)/gain on commodity future contracts not qualified for hedge accounting	– 不符合資格作對沖會計處理之商品期貨合約 公平值淨(虧損)/收益	(22,924)	27,837
– net fair value gain on foreign exchange forward contracts not qualified for hedge accounting	– 不符合資格作對沖會計處理之遠期外匯合約 公平值淨收益	23,592	4,709
– realised gain/(loss) on commodity future contracts	– 已變現之商品期貨合約 收益/(虧損)	16,055	(2,268)
– realised gain/(loss) on foreign exchange forward contracts	– 已變現之遠期外匯合約 收益/(虧損)	8,351	(1,934)
Exchange loss	匯兌虧損	(4,349)	(4,654)
Others	其他	(247)	270
		25,844	26,627

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Depreciation	折舊	42,670	33,085
Amortisation	攤銷	1,468	1,461
Employee benefit expense	僱員福利開支	278,912	190,357
Operating lease rental for land and building	土地及樓宇 經營租賃租金	1,891	1,076

6. 按性質分類之開支

包括在銷售貨品成本、銷售及市場推廣成本，以及行政開支內之開支分析如下：

7. FINANCE COSTS — NET

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest expense	利息開支	(17,202)	(10,955)
Exchange loss — net	匯兌虧損 — 淨額	(1,548)	(625)
Finance costs	融資成本	(18,750)	(11,580)
Finance income — interest income on bank deposit	融資收入 — 銀行存款之 利息收入	2,308	2,391
Net finance cost	融資成本淨額	(16,442)	(9,189)

7. 融資成本 — 淨額

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

8. INCOME TAX EXPENSE

PRC corporate income tax is provided for on 25% of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose, except for certain subsidiaries which were entitled to different preferential tax rates of 12.5% or 15% during both periods.

Profit tax for other locations has not been provided as the Group did not have any assessable profit in those locations.

8. 所得稅開支

除若干附屬公司於該兩個期間內可享有12.5%或15%不同程度的優惠稅率外，中國企業所得稅乃按中國法定財務呈報利潤之25%計算，並在對不可就中國企業所得稅目的課稅或扣減之該等項目作出調整後予以撥備。

由於本集團於其他地點並無任何應課稅利潤，故此並無計提該等地點之利得稅撥備。

Six months ended 30 June 截至六月三十日止六個月

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Current tax	即期稅項		
— PRC corporate income tax	— 中國企業所得稅	77,830	25,763
Deferred income tax	遞延所得稅	(5,528)	9,892
		72,302	35,655

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

9. 每股盈利

(a) 基本

每股基本盈利乃按期間利潤除以期內已發行普通股之加權平均數計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年	2009 二零零九年
Profit for the period attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔期間利潤 (港幣千元)	298,479	178,197
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000 shares)	就計算每股基本盈利之 普通股加權平均數 (千股)	13,753,115	13,479,314
Basic earnings per share (HK cents)	每股基本盈利(港仙)	2.17	1.32

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

9. EARNINGS PER SHARE (Continued)

(b) Diluted

For the six months ended 30 June 2010 and 2009, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are performance-based share options. For the share options, a calculation is done to determine the number of shares that could have been issued based on the attainment of the performance target at the end of the period. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

9. 每股盈利(續)

(b) 攤薄

截至二零一零年及二零零九年六月三十日止六個月，每股攤薄盈利乃透過對已發行普通股之加權平均數作出調整而計算，並假設轉換所有潛在攤薄普通股。本公司之潛在攤薄普通股為以表現掛鈎之購股權。就購股權而言，已作出按照期終達到表現目標以釐定應可發行之股份數目之計算。上文計算之股份數目與假設購股權獲行使而已發行之股份數目已作出比較。

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年	2009 二零零九年
Profit for the period attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔期間利潤 (港幣千元)	298,479	178,197
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000 shares)	就計算每股基本盈利之 普通股加權平均數 (千股)	13,753,115	13,479,314
Adjustments for share options ('000 shares)	對購股權作出之調整 (千股)	155,110	86,982
		13,908,225	13,566,296
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	2.15	1.31

10. DIVIDENDS

A 2009 final dividend of HK0.5 cent (2008 final: Nil) per ordinary share, totaling approximately HK\$70,422,000 had been declared at the Company's Annual General Meeting held on 18 May 2010 and was paid to the owners of the Company on 3 June 2010.

The Directors have resolved not to declare an interim dividend in respect of the six months ended 30 June 2010 (2009: Nil).

10. 股息

本公司於二零一零年五月十八日舉行的股東週年大會上宣派二零零九年末期股息每股普通股0.5港仙(二零零八年末期:無)，合共約港幣70,422,000元已於二零一零年六月三日向本公司擁有人派付。

董事議決不宣派截至二零一零年六月三十日止六個月之中期股息(二零零九年:無)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

11. CAPITAL EXPENDITURE

11. 資本開支

		Leasehold land and land use rights 租賃土地及 土地使用權 HK\$'000 港幣千元	Property, plant and equipment 物業、廠房 及設備 HK\$'000 港幣千元
Opening net book amount as at 1 January 2009	於二零零九年一月一日之 期初賬面淨值	127,436	571,345
Additions	添置	—	111,100
Disposals	出售	—	(4,105)
Amortisation/depreciation charges	攤銷/折舊開支	(1,461)	(33,085)
Exchange difference	匯兌差異	(159)	(708)
Closing net book amount as at 30 June 2009	於二零零九年六月三十日之 期末賬面淨值	125,816	644,547
Opening net book amount as at 1 January 2010	於二零一零年一月一日之 期初賬面淨值	124,496	699,543
Additions	添置	—	118,523
Disposals	出售	—	(9,666)
Amortisation/depreciation charges	攤銷/折舊開支	(1,468)	(42,670)
Exchange difference	匯兌差異	1,147	6,245
Closing net book amount as at 30 June 2010	於二零一零年六月三十日之 期末賬面淨值	124,175	771,975

Certain of the property of the Group with net book value of approximately HK\$96,642,000 (31 December 2009: approximately HK\$125,081,000) and leasehold land and land use rights with net book value of approximately HK\$59,925,000 (31 December 2009: approximately HK\$84,026,000) have been pledged as security for the Group's short term bank borrowings (Note 16).

本集團之短期銀行借款以本集團賬面淨值約港幣96,642,000元(二零零九年十二月三十一日:約港幣125,081,000元)之若干物業以及賬面淨值約港幣59,925,000元(二零零九年十二月三十一日:約港幣84,026,000元)之租賃土地及土地使用權作為抵押(附註16)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

12. INVENTORIES

12. 存貨

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Raw materials	原材料	253,654	219,867
Work-in-progress	在製品	49,395	45,294
Finished goods	製成品	416,243	404,031
		719,292	669,192

13. TRADE AND OTHER RECEIVABLES

13. 貿易及其他應收款

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Trade receivables (Note (a))	貿易應收款(附註(a))	745,932	471,640
Less: provision for impairment	減: 減值撥備	(43,121)	(23,353)
Trade receivables — net	貿易應收款 — 淨額	702,811	448,287
Notes receivables (Note (a))	應收票據(附註(a))	692,019	404,349
Prepayments and other receivables	預付款及其他應收款	193,093	357,577
Less: provision for impairment of other receivables	減: 其他應收款 減值撥備	(449)	(445)
Prepaid value-added tax — net	預付增值稅 — 淨額	18,012	35,186
		1,605,486	1,244,954
Less: non-current portion	減: 非即期部分		
Prepayment for property, plant and equipment	預付物業、廠房及 設備款項	(6,595)	(3,816)
		1,598,891	1,241,138

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

13. TRADE AND OTHER RECEIVABLES (Continued)

- (a) The majority of the Group's export sales are on letter of credit or documents against payment, or covered by customers' standby letters of credit or bank guarantees. The remaining amounts with credit terms of 30 days to 90 days. As at 30 June 2010, the ageing analysis of the gross trade receivables and notes receivables are as follows:

13. 貿易及其他應收款(續)

- (a) 本集團之出口銷售大部分以信用證或付款交單方式進行，或以客戶之備用信用證或銀行擔保作保證。其餘金額之信貸期為30日至90日。於二零一零年六月三十日，貿易應收款及應收票據總額之賬齡分析如下：

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Gross trade receivables:	貿易應收款總額：		
Within 3 months	三個月以內	677,942	437,480
3 to 6 months	三至六個月	59,584	25,672
Over 6 months	六個月以上	8,406	8,488
		745,932	471,640
Notes receivables:	應收票據：		
Within 3 months	三個月以內	359,773	184,709
3 to 6 months	三至六個月	332,246	219,640
		692,019	404,349

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

14. SHARE CAPITAL

14. 股本

		Authorised	
		Ordinary shares of HK\$0.1 each	
		法定股本	
		每股面值港幣0.1元之普通股	
		Number of shares	
		('000)	HK\$'000
		股份數目	
		(千股)	港幣千元
At 1 January 2009, 30 June 2009, 31 December 2009 and 30 June 2010	於二零零九年一月一日、 二零零九年六月三十日、 二零零九年十二月三十一日及 二零一零年六月三十日	20,000,000	2,000,000
		Issued and fully paid	
		Ordinary shares of HK\$0.1 each	
		已發行及繳足股本	
		每股面值港幣0.1元之普通股	
		Number of shares	
		('000)	HK\$'000
		股份數目	
		(千股)	港幣千元
At 1 January 2009, 30 June 2009 and 31 December 2009	於二零零九年一月一日、 二零零九年六月三十日及 二零零九年十二月三十一日	13,479,314	1,347,931
Issue of ordinary shares (i)	發行普通股(i)	600,000	60,000
Employee share option scheme	僱員購股權計劃		
— proceeds from shares issued (ii)	— 股份發行所得款項(ii)	8,640	864
At 30 June 2010	於二零一零年六月三十日	14,087,954	1,408,795

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued) 簡明綜合中期財務資料附註(續)

14. SHARE CAPITAL (Continued)

- (i) On 29 March 2010, Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") entered into a placing agreement and subscription agreement with a placing agent and the Company. Pursuant to the placing agreement, Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 existing shares of the Company to not less than six independent investors at a price of HK\$0.42 per share. Pursuant to the subscription agreement, Midea (Cayman Islands) conditionally agreed to subscribe for 600,000,000 shares of the Company at a price of HK\$0.42 per share. 600,000,000 new shares of the Company were issued for the subscription on 9 April 2010 raising net proceeds of approximately HK\$246 million which were intended to be used for the development of motor business of the Group and for general working capital of the Company. The net price raised per share was approximately HK\$0.41. These shares ranked pari passu with the then existing issued shares of the Company.
- (ii) The share options exercised by a Director of the Company and certain employees of the Group during the period, resulted in 8,640,000 shares being issued at HK\$0.157 per share, yielding proceeds after transaction costs of approximately HK\$1,340,000. The weighted average closing price of shares of the Company at the time of exercise of shares options was HK\$0.39.

14. 股本(續)

- (i) 於二零一零年三月二十九日，美的控股(開曼群島)有限公司(「美的(開曼群島)」)與配售代理及本公司訂立配售協議及認購協議。根據配售協議，美的(開曼群島)同意通過配售代理按每股股份港幣0.42元，向不少於六名獨立投資者配售1,200,000,000股本公司現有股份。根據認購協議，美的(開曼群島)有條件同意按每股股份港幣0.42元認購600,000,000股本公司股份。本公司600,000,000股新股份已於二零一零年四月九日發行，以供認購，籌集約港幣246,000,000元的所得款項淨額擬訂用作發展本集團的電機行業及本公司一般營運資金。每股淨集資額約為港幣0.41元。此等股份與本公司當時已發行股份的權益相同。
- (ii) 本公司一名董事及本集團部分僱員於期內行使購股權，導致8,640,000股股份按每股港幣0.157元的價格發行，扣除交易費後的所得款項約為港幣1,340,000元。購股權獲行使時，本公司股份的加權平均收市價為港幣0.39元。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

15. OTHER RESERVES

15. 其他儲備

		Share premium	Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Exchange reserve	Merger reserve	Total
		股份溢價	法定儲備基金	一般儲備基金	企業發展基金	購股權儲備	匯兌儲備	合併儲備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
			Note (a)	Note (a)	Note (a)				
			附註(a)	附註(a)	附註(a)				
Balance at 1 January 2009	於二零零九年一月一日之結餘	3,336,373	663	59,192	60,367	7,578	(1,354)	(3,234,898)	227,921
Employee share option scheme	僱員購股權計劃								
– value of services provided	– 所提供服務之價值	–	–	–	–	5,076	–	–	5,076
Currency translation differences	貨幣匯兌差異	–	–	–	–	–	(1,046)	–	(1,046)
Transfer to statutory reserve	轉撥至法定儲備	–	35	7,848	7,740	–	–	–	15,623
Balance at 30 June 2009	於二零零九年六月三十日之結餘	3,336,373	698	67,040	68,107	12,654	(2,400)	(3,234,898)	247,574
Balance at 1 January 2010	於二零一零年一月一日之結餘	3,336,373	2,140	80,464	71,441	17,847	(1,324)	(3,234,898)	272,043
Issuance of shares (Note 14(i))	發行股份(附註14(i))	192,000	–	–	–	–	–	–	192,000
Share issuance expenses	股份發行開支	(6,557)	–	–	–	–	–	–	(6,557)
Employee share option scheme	僱員購股權計劃								
– value of services provided	– 所提供服務之價值	–	–	–	–	3,228	–	–	3,228
– proceeds from shares issued (Note 14(ii))	– 股份發行所得款項(附註14(ii))	476	–	–	–	–	–	–	476
Currency translation differences	貨幣匯兌差異	–	–	–	–	–	13,620	–	13,620
Transfer to statutory reserve	轉撥至法定儲備	–	(955)	1,082	–	–	–	–	127
Balance at 30 June 2010	於二零一零年六月三十日之結餘	3,522,292	1,185	81,546	71,441	21,075	12,296	(3,234,898)	474,937

(a) The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.

(a) 本公司在中國之附屬公司須遵守中國法律及法規，以及彼等之組織章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自除稅後但未計股息分派之純利中提取。該純利根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算。此等中國附屬公司須將其純利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事酌情釐定。一般儲備基金僅在有關當局批准後始可用作抵銷累計虧損或增加資本。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

16. BORROWINGS

16. 借款

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Non-current	非即期		
Long-term bank borrowings, secured	長期銀行借款 — 有抵押	234,728	160,000
Current	即期		
Short-term bank borrowings, secured	短期銀行借款 — 有抵押	649,146	469,102
		883,874	629,102

The effective interest rates of the above floating rate borrowings at the end of the reporting period were 2.15% per annum (31 December 2009: 4.29% per annum).

Certain of the property of the Group with net book value of approximately HK\$96,642,000 (31 December 2009: approximately HK\$125,081,000) and leasehold land and land use rights with net book value of approximately HK\$59,925,000 (31 December 2009: approximately HK\$84,026,000) have been pledged as security for the Group's short-term bank borrowings (Note 11).

於報告期間結束時，上述浮息借款之實際年利率為2.15% (二零零九年十二月三十一日：年利率4.29%)。

本集團之短期銀行借款以本集團賬面淨值約港幣96,642,000元(二零零九年十二月三十一日：約港幣125,081,000元)之若干物業以及賬面淨值約港幣59,925,000元(二零零九年十二月三十一日：約港幣84,026,000元)之若干租賃土地及土地使用權作為抵押(附註11)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

17. TRADE AND OTHER PAYABLES

17. 貿易及其他應付款

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Trade payables (Note (a))	貿易應付款(附註(a))	2,959,370	1,932,767
Notes payables (Notes (a) & (b))	應付票據(附註(a)及(b))	311,898	399,944
		3,271,268	2,332,711
Provision for staff welfare and bonus	員工福利及花紅撥備	69,116	79,884
Accruals	預提費用	44,339	32,875
Advances from customers	預收客戶賬款	11,827	12,882
Others	其他	95,980	140,446
		3,492,530	2,598,798

(a) As at 30 June 2010, the ageing analysis of the trade payables and notes payables are as follows:

(a) 於二零一零年六月三十日，貿易應付款及應付票據之賬齡分析如下：

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Within 3 months	三個月以內	2,191,249	1,582,283
3 to 6 months	三至六個月	1,074,812	691,986
Over 6 months	六個月以上	5,207	58,442
		3,271,268	2,332,711

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

17. TRADE AND OTHER PAYABLES (Continued)

- (b) The balance represents non-interest bearing bank acceptance notes issued by the Group with maturity periods of less than nine months. As at 30 June 2010, certain notes payables were pledged by bank deposits of approximately HK\$151,240,000 (31 December 2009: HK\$141,127,000).

18. CONTINGENT LIABILITIES

As at 30 June 2010 and 31 December 2009, the Group and the Company did not have any material contingent liabilities.

19. COMMITMENTS

(a) Capital commitments

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Contracted but not provided for — purchase of property, plant and equipment	已訂約但未撥備 — 購置物業、廠房及 設備	66,069	35,396

17. 貿易及其他應付款(續)

- (b) 有關結餘為本集團發出不計息銀行承兌票據，到期期限少於九個月。於二零一零年六月三十日，若干應付票據以銀行存款約港幣151,240,000元(二零零九年十二月三十一日：港幣141,127,000元)作為抵押。

18. 或然負債

於二零一零年六月三十日及二零零九年十二月三十一日，本集團及本公司並無任何重大或然負債。

19. 承擔

(a) 資本承擔

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

19. COMMITMENTS (Continued)

(b) Operating lease commitments – the Group as the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		As at	
		於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Not later than one year	不超過一年	2,133	1,580
Later than one year and not later than five years	超過一年但不超過五年	664	1,120
		2,797	2,700

20. ULTIMATE HOLDING COMPANY

The Directors regard Midea Group Co., Ltd., a company incorporated in the PRC, as the ultimate holding company of the Company.

21. RELATED PARTY TRANSACTIONS

For the purposes of these condensed consolidated interim financial information, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related party of the Group where those parties are individuals.

19. 承擔(續)

(b) 經營租賃承擔 – 本集團作為承租人

根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下:

20. 最終控股公司

董事視美的集團有限公司(於中國註冊成立之公司)為本公司的最終控股公司。

21. 關聯方交易

就此等簡明綜合中期財務資料而言,如本集團能夠直接或間接對另一方之財務及經營決策發揮重大影響力,或另一方能夠直接或間接對本集團之財務及經營決策發揮重大影響力,有關人士即視為本集團之關聯方。關聯方可以是個別人士(即主要管理層成員、主要股東及/或彼等之近親)或其他實體,包括本集團之關聯方(該等人士為個別人士)對其有重大影響力之實體。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

21. RELATED PARTY TRANSACTIONS (Continued)

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the period are summarized below:

(a) Transactions with related parties:

21. 關聯方交易(續)

本公司與其附屬公司間之交易已於綜合賬目內對銷。本集團與其他關聯方於期內之交易概述如下：

(a) 與關聯方之交易：

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Sales to related parties:			
— Controlled by the ultimate holding company of the Company	向關聯方銷售： — 由本公司最終控股公司控制	1,975,140	888,944
— Controlled by a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司之主要股東控制	254,065	197,554
— Controlled by a close family member of a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司主要股東之近親控制	—	44
		2,229,205	1,086,542
Purchase from related parties:			
— Controlled by the ultimate holding company of the Company	向關聯方採購： — 由本公司最終控股公司控制	3,772	895
— Controlled by a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司之主要股東控制	114,996	57,909
— Controlled by a close family member of a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司主要股東之近親控制	—	30
		118,768	58,834
Receives logistics services from related parties:			
— Controlled by the ultimate holding company of the Company	向關聯方獲取 物流服務： — 由本公司最終控股公司控制	27	873

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)
簡明綜合中期財務資料附註(續)

**21. RELATED PARTY TRANSACTIONS
(Continued)**

(b) Key management compensation:

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Salaries and other employee benefits	薪金及其他員工福利	3,943	1,681
Share-based payments	以股份支付支出	2,445	3,229
		6,388	4,910

21. 關聯方交易(續)

(b) 主要管理人員酬金：

Six months ended 30 June
截至六月三十日止六個月

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Salaries and other employee benefits	薪金及其他員工福利	3,943	1,681
Share-based payments	以股份支付支出	2,445	3,229
		6,388	4,910

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related companies:

		As at 於	
		30 June 2010 二零一零年 六月三十日 HK\$'000 港幣千元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 港幣千元
Due from related companies:	應收關聯公司款項：		
— Controlled by the ultimate holding company of the Company	— 由本公司最終控股公司控制	1,845,409	1,029,809
— Controlled by a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司之主要股東控制	227,284	217,997
— Controlled by a close family member of a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司主要股東之近親控制	1,512	332
		2,074,205	1,248,138
Due to related companies:	應付關聯公司款項：		
— Controlled by the ultimate holding company of the Company	— 由本公司最終控股公司控制	8,104	4,127
— Controlled by a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司之主要股東控制	164,270	174,085
— Controlled by a close family member of a substantial shareholder of the ultimate holding company of the Company	— 由本公司最終控股公司主要股東之近親控制	7,379	403
		179,753	178,615

The balances due from/to related parties are denominated in RMB, unsecured, interest free and are repayable on demand.

應收／應付關聯方結餘以人民幣列值，並為無抵押、免息且須於要求時償還。

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2010 (six months ended 30 June 2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's profit attributable to the owners of the Company and earnings per share for the six months ended 30 June 2010 amounted to approximately HK\$298,479,000 (2009: approximately HK\$178,197,000) and HK2.17 cents (2009: HK1.32 cents) respectively, representing an increase of profit by 67.5%. The increase in profit was mainly attributable to the ongoing implementation of stimulus policies such as the "Home Appliances Subsidy Policy for Rural Areas", the "Home Appliances Replacement Subsidy Policy" and the "Subsidy for Energy Efficient Appliances" with greater magnitude. Both the sales volume and the sales revenue of the Group for the period recorded a substantial increase as compared to the corresponding period last year.

For the six months ended 30 June 2010, the Group recorded a turnover of approximately HK\$4,109,908,000 (2009: approximately HK\$2,235,210,000), representing an increase of approximately 83.9% as compared to the corresponding period last year. The Group's gross profit margin was approximately 13.2% (2009: approximately 15.3%). Net asset value per share of the Group was HK11.5 cents as at 30 June 2010 (31 December 2009: HK8.4 cents).

中期股息

董事會議決不宣派截至二零一零年六月三十日止六個月之中期股息(截至二零零九年六月三十日止六個月:無)。

管理層討論與分析

業務回顧

截至二零一零年六月三十日止六個月,本公司擁有人應佔本集團利潤約港幣298,479,000元(二零零九年:約港幣178,197,000元),及每股盈利為2.17港仙(二零零九年:1.32港仙),利潤增長67.5%。利潤上升的主要因為受惠於國內「家電下鄉」、「家電以舊換新」、「節能補貼」等一系列的刺激政策持續並進一步加大力度,本集團於期內銷量及銷售金額同比都錄得大幅增長。

截至二零一零年六月三十日止六個月,本集團營業額為約港幣4,109,908,000元(二零零九年:約港幣2,235,210,000元),同比上升約83.9%。本集團的毛利率為約13.2%(二零零九年:約15.3%)。於二零一零年六月三十日,本集團之每股資產淨值為11.5港仙(二零零九年十二月三十一日:8.4港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Analysis of Major Business Operations

Industry drivers continued to prevail during the first half of 2010. The ongoing and strengthened implementation of stimulus policies such as the “Home Appliances Subsidy Policy for Rural Areas”, the “Home Appliances Replacement Subsidy Policy” and “Subsidy for Energy Efficient Appliances” has provided the propulsive agent of stable growth in the industry. In particular, the scope of implementation of the “Home Appliances Replacement Subsidy Policy” has been further widened, the demand of electrical household appliances has been further increased in the PRC market, especially in rural areas. Under the combined effects of replacement and upgrade of electrical household appliances in urban areas and sustainable growth of property sales, the industry saw recuperating growth during the period.

During the first half of 2010, the Group focused on driving a change in the growth pattern of its motor business. The Group identified further opportunities for improvements in the manufacturing process of its principal products, such as the integration of major resources, in-depth promotion of standardisation and enhancements in manufacturing capability and operational efficiency. Greater efforts were dedicated to the development of strategic products featuring environment-friendly and low-carbon characteristics as well as technological and application upgrades, as we continued to achieve innovations in technologies and further optimise our product structure. Our business departments seized every opportunity to increase sales at a rapid pace, while we continued to assure product quality and optimise cost controls on the back of technology innovations. Underpinned by sound operating results, the Group continued to report significant year-on-year improvements in its profit mix and profit level during the first half of the year. We sustained a rapid year-on-year growth in production and sales of our principal products including air-conditioning motors, wave-wheel washing motors and series washing motors and dishwasher motors during the period, and the market position of our principal products was further enhanced. Notable results were achieved in the development of strategic products such as refrigerator compressor motors, direct current motors and commercial motors, which formed an important growth niche for our business. Breakthroughs were achieved in research and development projects on new products like vehicle motors, pump motors and servo motors, etc and commercial production had started in an orderly fashion, laying solid a foundation for future growth for the Group.

管理層討論與分析(續)

主要業務經營情況分析

二零一零年上半年，行業的推動因素繼續存在，國內「家電下鄉」、「家電以舊換新」、「節能補貼」等一系列的刺激政策持續並進一步加大力度，成為了行業穩定增長的助推劑，特別是「家電以舊換新」政策範圍進一步擴大。國內市場特別是農村家電的需求進一步提升，城市保有家電面臨更新升級，房地產市場銷售之持續增長等共同作用下，行業實現恢復性增長。

二零一零年上半年，本集團重點推動下屬電機產業轉變增長模式。進一步挖掘主導產品製造內涵，包括整合重點資源，深入推行標準化，企業製造力、運營效率顯著提升；加強環保低碳、技術及應用領域升級的戰略性產品拓展，技術創新，產品結構不斷優化。積極推動各事業部抓住機遇，快速擴大銷售規模，通過技術創新確保品質，優化成本控制。上半年本集團之盈利結構與水準繼續同比大幅提升，經營業績良好。上半年，本集團之空調電機、洗衣機波輪及串激電機、洗碗機電機等主導產品產銷同比繼續保持快速增長，市場地位繼續提升，冰壓機電機、直流電機、商用電機等戰略產品拓展成效顯著，成為經營主要增長點。汽車電機、水泵電機、伺服電機等新產品研發項目取得突破，逐步實現量產，為本集團未來之增長奠定基礎。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(1) Micro Motors Business

Benefited from a series of economic stimulus policies introduced by the PRC government in the second half of 2009, there has been a rising demand in the domestic household air-conditioner market during the first half of 2010, and the exports continued to recover. For the first half of the year, sales of the household air-conditioners in the PRC was 52,141,000 units, representing a year-on-year increase of 42.2% (Source: www.chinalOL.com). The refrigerator industry also benefited from robust overall market demand driven by the PRC macro-economic stimulus policies.

For the micro motors business, the Group recorded approximately 40,115,000 units of domestic sales and 5,888,000 units of export sales of micro motors for the six months ended 30 June 2010. The aggregate sales volume increased by 66.3% as compared to the corresponding period last year, which was higher than the overall increase rate of the industry. The micro motors business recorded a turnover of HK\$2,611,878,000 for the first half of 2010, which represented an increase of approximately 103.6% as compared to HK\$1,282,565,000 for the corresponding period in 2009. The micro motors business recorded a profit of HK\$189,105,000 for the first half of 2010, which represented an increase of approximately 92.1% as compared to HK\$98,420,000 for the corresponding period in 2009.

Building on the future development strategy for the micro motors business drawn up in 2009, we continued to strengthen marketing efforts for the three core strategic products (compressor motors, direct current motors and commercial motors) during the first half of 2010. Our planning and management system was optimised through in-depth adoption of lean production processes and standardisation, while our manufacturing capabilities, operational efficiency and gross profit potential were improved with the fostering of "soft strengths" strategies. We continued to recruit and train key technical personnel and implement the strategy of technology innovations, highlighted by critical breakthroughs in major research and development projects on the ECM (Electronically Commutated Motor) motor system, high power direct current motors, refrigerator fan direct current motors, pump motors and servo motors and commercial production had been achieved for some of these products.

管理層討論與分析(續)

(1) 微電機業務

受益於中國政府二零零九年下半年出臺的一系列刺激經濟政策，二零一零年上半年國內家用空調市場需求保持旺盛的勢頭，出口也持續回暖。中國家用空調銷量同比上升42.2%達到52,141,000台(資料來自產業在線)。冰箱行業繼續受益於國家宏觀刺激政策影響，市場整體需求依然強勁。

截至二零一零年六月三十日止六個月，微電機業務內銷之電機銷量約為40,115,000台，出口之電機銷量約為5,888,000台，總銷量較去年同期上升66.3%，高於行業整體上升幅度。微電機業務於二零一零年上半年之營業額為港幣2,611,878,000元，比二零零九年同期之營業額為港幣1,282,565,000元，增幅約103.6%。微電機業務於二零一零年上半年利潤為港幣189,105,000元，二零零九年同期港幣98,420,000元，增幅約92.1%。

二零一零年上半年，微電機業務在二零零九年確立未來戰略產品的基礎上，加大三大戰略產品壓縮機電機、直流電機、商用電機拓展力度，通過深入推行精益生產、標準化，優化計畫管理體系，通過軟實力的建設提高製造能力、運營效率及毛利空間；持續關鍵技術人才引進與培養，實施科技創新戰略，上半年，電子換向電機系統、大功率風機直流電機、冰箱風扇直流電機、水泵電機、伺服電機專案等重點研發專案取得階段性突破，部分進入量產。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Regarding business expansion for strategic products, we strived to make further inroads in cooperation with our three major customers in the compressor motors business while proactively explored opportunities for ties with other sizeable enterprises in this sector and also extended our reach to other compressor motor products including pump motors and air compressor motors, in order to procure sales growth and assure objective growth drivers in the coming years. In the direct current (“DC”) motors business, the Group actively developed high power DC motors, refrigerator fan DC motors, water heater DC motors, dehumidifier DC motors, dryer DC motors and other electrical household appliance DC motors while continuing to expand its existing business in air-conditioning direct current motors. An extensive product coverage was formed as a result, providing the driving force for ongoing sales growth. In the American market for commercial motors, the Group vigorously expanded its business with major air-conditioner manufacturers in the American market on the back of its existing customers. Meanwhile, the Group enhanced its presence in the market for after-sale services, seeking to develop it into a niche for future sales growth through further business development with after-sale services to manufacturers and agents.

(2) Washing Motors Business

Domestic sales of washing machines for the first half of 2010 increased by 19.1% when compared with the corresponding period last year and export sales increased by 41.9% when compared with the corresponding period last year (Source: www.chinalOL.com). The overall sales volume of washing machines business for the first half of 2010 was 26.1% higher when compared with the corresponding period last year, as a result of further improvements in the second- and third-tier domestic markets and the cycle of product replacement and upgrade for domestic washing machines (Source: www.chinalOL.com).

管理層討論與分析(續)

戰略產品拓展方面，壓縮機電機領域，深化與三大主力客戶合作，積極拓展行業其他有實力企業，並向水泵電機、空壓機電機等其他壓縮機電機產品延伸，以達到銷量增長點以及在未來幾年帶來持續客觀的增長動力。在直流電機領域，在現有空調直流電機拓展基礎上，大力拓展大功率直流電機市場，進一步推進冰箱風扇直流電機、熱水器直流電機、除濕機直流電機、乾衣機直流電機及其他家用電器用直流電機專案，形成多產品領域覆蓋的格局，推動銷量的持續攀升。在商用電機美洲市場，以現有客戶為突破口，大力拓展美洲市場各主流空調廠商，同時，加大對售後市場的拓展，通過對售後廠商、代理商的開拓，成為未來新的銷量增長點。

(2) 洗滌電機業務

二零一零年上半年，洗衣機內銷同比上升19.1%，出口同比上升41.9%（資料來源自產業在線），國內二、三級市場保有空間的進一步提升及國內洗衣機產品更新換代等因素帶動，洗衣機產業二零一零年上半年洗衣機整體銷量同比上升26.1%（資料來源自產業在線）。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

For the first half of 2010, the Group recorded domestic sales of approximately 9,042,000 units and export sales of approximately 4,100,000 units for its washing motors. Total sales volume grew by approximately 67.7% as compared to the corresponding period last year. The aggregate turnover for the washing motors business increased by approximately 68.1% to approximately HK\$1,155,186,000 as compared to the turnover of approximately HK\$687,356,000 for the corresponding period in 2009. Profit for the washing motors business for the first half of 2010 amounted to HK\$112,451,000, which was approximately 33.2% higher as compared to HK\$84,407,000 recorded for the corresponding period in 2009.

The ongoing significant sales growth for the Group's washing motor business in 2010 was attributable to the adoption of a strategy underpinned by in-depth development of new washing motor products, and dedicated efforts to expand into the European and American markets. The Group's leading position in the industry was further reinforced, while its washing motors remained number one in the domestic market. During the first half of the year, sales of wave-wheel motors and series motors for washing machines sustained a rapid growth, with further improvements in profitability. We have made good progress in extending the base of our large customers, while commercial production has started for VMW (Vertical Modular Washer) motors and series motors. By further strengthening our strategic product management, we succeeded in swiftly increasing the output volume of small series motors, starting the production of vehicle motors and expediting technological research and development for direct current products and other new products with the implementation of the accountability-based management system, while capacity expansion for small series motors and induced motors and investments in the in-house production of power cords and high pressure cables were also completed. As a result, profitability was further enhanced on the back of expanded production capacity with a higher proportion of self-made components. Moreover, further economies of scale will be achieved and profitability will be considerably enhanced with the construction of a new washing motor production plant in Hefei, establishment of a strategic network, development of new products, timely adjustment of product structure, enhancement of product quality and swift upgrade of production capacity.

管理層討論與分析(續)

二零一零年上半年，本集團之內銷洗滌類電機數量約為9,042,000台，出口洗滌類電機數量約為4,100,000台，總銷量較去年同期上升約67.7%。洗滌電機整體業務之營業額為約港幣1,155,186,000元，二零零九年同期之營業額為約港幣687,356,000元，同比上升約68.1%。洗滌電機業務於二零一零年上半年利潤為港幣112,451,000元，二零零九年同期為港幣84,407,000元，增幅約33.2%。

二零一零年，洗滌電機業務以新型洗滌類電機產品的深度拓展為戰略發展思路，致力於拓展歐洲、美洲業務，本集團之洗滌電機銷量持續大幅增長，行業領先地位繼續鞏固，洗衣機電機繼續保持國內第一。上半年洗衣機用波輪電機、串激電機持續高速增長，盈利水準繼續改善。大客戶開拓取得進展，頂開門全自動洗衣機電機、串激電機實現小批或批量生產；通過進一步強化戰略產品管理，小串激電機實現快速上量、汽車電機順利投產、直流化等新產品實施責任制管理以加快技術研發；加之小串激、感應電機擴能及電源線、高沖等自製投資實施完成，進一步提升產能、加大自製比例，盈利水準進一步提升；另外，啟動興建合肥新洗滌電機生產廠房，戰略性佈局，開發新產品、及時調整產品結構，提升產品品質，快速的產能提升，規模優勢進一步體現，盈利能力有較好提升。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(3) Business of Associates

The overall profitability of Shanxi Huaxiang Investment Co., Ltd has been enhanced through a range of revamping measures, optimisation of management systems, strict internal control over different procedures and product cost reductions during the first half of the year. Internally, production efficiency has been enhanced through cost optimisation, improvement of operating procedures and analysis of bottleneck processes. Externally, in the area of raw materials purchases, the goal of maximising profitability of products was achieved by conducting forecasts and analysis of market trends and price movements, imposing higher benchmarks for purchase quality, and increasing the proportion of scrap steel and scrap iron input.

For the first half of 2010, profit of Shanxi Huaxiang Investment Co., Ltd (an associate owned as to 49% by the Group) attributable to the interests of the Group amounted to approximately HK\$7,059,000.

Financial Review

Liquidity and Financial Resources

The Group has maintained a healthy financial and liquidity position with a current ratio of 116% as at 30 June 2010 (31 December 2009: 106%). As at 30 June 2010, the Group had a cash and cash equivalents of approximately HK\$629,348,000 (31 December 2009: approximately HK\$257,478,000) and the bank borrowings of approximately HK\$883,874,000 (31 December 2009: approximately HK\$629,102,000), of which approximately HK\$649,146,000 would be due within one year and approximately HK\$234,728,000 would be due over one year.

管理層討論與分析(續)

(3) 聯營公司業務

山西華翔投資有限公司上半年通過系列革新，完善管理體制，嚴格監控內部各個環節，降低產品的成本，提高整體的盈利水準。內部從優化成本，改善作業步驟，分析瓶頸工序出發，提升生產效率；外部在原材料的採購方面，通過預測分析把握市場和價格走勢，提高採購品質門檻，增大廢鋼鐵的投入比例，達到產品利潤最大化的目標。

二零一零年上半年，本集團應佔49%股權的聯營公司山西華翔投資有限公司利潤為約港幣7,059,000元。

財務回顧

流動資金及財務資源

本集團之財政及流動資金狀況穩健，於二零一零年六月三十日之流動比率為116%（二零零九年十二月三十一日：106%）。於二零一零年六月三十日，本集團之現金及現金等價物為約港幣629,348,000元（二零零九年十二月三十一日：約港幣257,478,000元），銀行貸款約港幣883,874,000元（二零零九年十二月三十一日：約港幣629,102,000元），其中約港幣649,146,000元於一年內到期，而約港幣234,728,000元於超過一年後到期。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Ratios

The following are certain financial ratios of the Group as at the consolidated statement of financial position date:

		30 June 2010 二零一零年 六月三十日	31 December 2009 二零零九年 十二月三十一日
Inventories turnover (Note 1)	存貨週轉期(附註1)	35 days日	40 days日
Current ratio (Note 2)	流動比率(附註2)	1.16 time倍	1.06 time倍
Gearing ratio (Note 3)	資本負債比率(附註3)	0.13 time倍	0.28 time倍

Notes:

- Inventories turnover is calculated based on the average of the opening inventory and closing inventory divided by the cost of goods sold of the period/year, and multiplied by the total number of days of the period/year.
- Current ratio is calculated based on the period-end/year-end current assets divided by the period-end/year-end current liabilities.
- Gearing ratio is calculated based on the net debt divided by the total equity as at the end of the period/year. The net debt is referred to the total borrowings (including the borrowings as shown in the consolidated statement of financial position) less the aggregate of cash and cash equivalents and pledged bank deposits as at the end of the period/year.

Pledge of Assets

As at 30 June 2010, short-term borrowings of the Group were secured by certain property with net book value of approximately HK\$96,642,000 (31 December 2009: approximately HK\$125,081,000) and certain leasehold land and land use rights with net book value of approximately HK\$59,925,000 (31 December 2009: approximately HK\$84,026,000) of the Group.

Contingent Liabilities

As at 30 June 2010, the Group did not have any material contingent liability.

管理層討論與分析(續)

財務比率

下表載列於綜合財務狀況報表日本集團的若干財務比率：

		30 June 2010 二零一零年 六月三十日	31 December 2009 二零零九年 十二月三十一日
Inventories turnover (Note 1)	存貨週轉期(附註1)	35 days日	40 days日
Current ratio (Note 2)	流動比率(附註2)	1.16 time倍	1.06 time倍
Gearing ratio (Note 3)	資本負債比率(附註3)	0.13 time倍	0.28 time倍

附註：

- 存貨週轉期是根據期／年初存貨與期／年終存貨平均數除以當期／年銷售貨品成本，再乘以該期／年的總日數計算。
- 流動比率是根據期／年終的流動資產除以期／年終流動負債。
- 資本負債比率是根據期／年末債項淨額除以總權益計算，債項淨額為借款總額(包括綜合財務狀況表所示的借款)減去期／年末現金及現金等價物及已抵押銀行存款。

資產抵押

於二零一零年六月三十日，本集團的短期借款以本集團賬面淨值約港幣96,642,000元(二零零九年十二月三十一日：約港幣125,081,000元)之若干物業以及賬面淨值約港幣59,925,000元(二零零九年十二月三十一日：約港幣84,026,000元)之若干租賃土地及土地使用權作為抵押。

或然負債

於二零一零年六月三十日，本集團並無任何重大之或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Capital Expenditure

For the six months ended 30 June 2010, the Group has invested approximately HK\$118,523,000 (31 December 2009: approximately HK\$225,124,000) in the addition of property, plant and equipment, leasehold land and land use rights.

Derivative Financial Instruments

As at 30 June 2010, the Group's outstanding derivative financial instrument assets and liabilities under various copper and aluminium future contracts and foreign exchange forward contracts amounted to approximately HK\$29,033,000 and HK\$3,325,000 respectively (31 December 2009: derivative financial instrument assets and liabilities of approximately HK\$25,708,000 and HK\$902,000 respectively).

Exposure to Exchange Rate Fluctuations

Approximately 20% of the Group's turnover was derived from export trading settled in Euro and US dollars. Similarly, the Group also imported raw materials in which the suppliers were paid in Euro and US dollars. Foreign exchange risks associated with these currencies were partially offset as a result. Moreover, the Group has made arrangements to purchase foreign exchange forward contracts to hedge foreign exchange exposure for certain export trading. There were wide fluctuations in exchange rate of Euro during the period. As only 6% of the Group's total sales was generated from countries located in Europe and received Euro for settlement, in addition, the financial risk associated with the fluctuation in exchange rate for Euro has been mitigated through our hedging arrangement in foreign exchange. As a result, there is no significant exposure to the fluctuation in exchange rate for Euro. The Group has strengthened control over risk of the fluctuations in exchange rate, and reviewed from time to time the sufficiency and appropriateness of the financial instruments which were used to hedge significant foreign currency risks.

Capital Commitments

As at 30 June 2010, the Group has contracted capital commitments in respect of the purchase of property, plant and equipment amounting to approximately HK\$66,069,000 (31 December 2009: approximately HK\$35,396,000).

管理層討論與分析(續)

資本開支

於截至二零一零年六月三十日止六個月內，本集團投資約港幣118,523,000元(二零零九年十二月三十一日：約港幣225,124,000元)，作添置物業、廠房及設備以及租賃土地及土地使用權之用。

衍生金融工具

於二零一零年六月三十日，本集團訂立若干銅及鋁期貨合約及外匯遠期合約，未到期衍生金融資產約為港幣29,033,000元及未到期衍生金融負債約為港幣3,325,000元(二零零九年十二月三十一日：衍生金融資產及負債分別約港幣25,708,000元及港幣902,000元)。

匯率波動風險

本集團營業額中約佔兩成為外銷之出口貿易，交易以歐元及美元結算，而同時亦有部分進口原材料以歐元及美元向供應商付款，彼此能作抵銷部分匯兌風險，加上本集團已安排部分出口貿易購買遠期外匯合約，以對沖匯兌風險。歐元於期內出現大幅波動。由於本集團來自歐洲國家並以歐元作為結算貨幣的銷售額僅佔總銷售額6%，且與歐元匯率波動有關之金融風險因本公司進行合適外匯對沖安排已有所減低，因此，並無歐元匯率波動之重大風險。本集團已加強了對外匯匯率波動的監控，並不時檢討所使用以對沖重大外幣風險之金融工具是否足夠及適當。

資本承諾

於二零一零年六月三十日，本集團就購買物業、廠房及設備已訂約資本承擔約港幣66,069,000元(二零零九年十二月三十一日：約港幣35,396,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Placing and Subscription of Shares of the Company

On 29 March 2010, Midea Holding (Cayman Islands) Limited (“Midea (Cayman Islands)”), the controlling shareholder of the Company, entered into a placing agreement with the Company and the placing agent, pursuant to which Midea (Cayman Islands) agreed to place, through the placing agent, 1,200,000,000 existing shares of the Company owned by Midea (Cayman Islands) to not less than six independent placees at the placing price of HK\$0.42 per share (the “Placing”).

On 29 March 2010, Midea (Cayman Islands) entered into a subscription agreement with the Company, pursuant to which Midea (Cayman Islands) agreed to subscribe for 600,000,000 new shares of the Company at the subscription price of HK\$0.42 per share (the “Subscription”).

The completion of the Placing and the Subscription took place on 1 April 2010 and 9 April 2010 respectively. The Company received the net proceeds of approximately HK\$246 million.

Human Resources

As at 30 June 2010, the Group had approximately 14,056 full time employees in Hong Kong and the PRC. While the Company was supported by a team of young and high-calibre staff, it also places strong emphasis on the development, management and planning of human resources, with a view to enhancing employee contributions to the Group and forging strategic advantages in human resources by adopting an open, fair and equitable policy on staff selection and deployment and implementing proper human resources management.

The Group has adopted a share option scheme to motivate employees by linking their interests to the future development and expansion of the Group.

The Group currently provides staff with competitive remuneration packages (comprising salary, bonus and benefits), insurance (comprising pension, medical insurance, unemployment insurance and insurance for labour injury) and housing fund. In addition, the Group also provides other benefits, including meal subsidies, housing subsidies, cooperative medical services, supportive fund and group activities.

管理層討論與分析(續)

配售及認購本公司股份

於二零一零年三月二十九日，本公司之控股股東美的控股(開曼群島)有限公司(「美的(開曼群島)」)與本公司及配售代理訂立配售協議，據此，美的(開曼群島)同意通過配售代理按配售價每股股份港幣0.42元，向不少於六名獨立承配人配售美的(開曼群島)所擁有的1,200,000,000股本公司現有股份(「配售」)。

於二零一零年三月二十九日，美的(開曼群島)與本公司訂立認購協議，據此，美的(開曼群島)同意按認購價每股股份港幣0.42元認購600,000,000股本公司的新股份(「認購」)。

配售及認購分別於二零一零年四月一日及二零一零年四月九日完成。本公司收到所得款項淨額約港幣246,000,000元。

人力資源

於二零一零年六月三十日，本集團於香港及國內共聘用約14,056名全職僱員。公司擁有一支年輕、優秀的員工隊伍的同時，亦充分重視人力資源開發、管理及發展規劃，以期通過公開、公平、公正的選才、用才機制，通過完善的人力資源管理，提高僱員對本集團的貢獻，使本集團具備戰略性的人力資源優勢。

本集團採用購股權計劃，用以鼓勵員工為本集團之未來發展及擴展出力。

本集團目前為員工提供具競爭力的薪酬(含崗位工資、獎金及福利)、保險(含養老保險、醫療保險、失業保險和工傷保險)及住房公積金。另外集團為員工提供其他福利，包括膳食補助、住房補貼、員工合作醫療、扶助基金、團隊活動等等。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Prospect

Although the PRC is still in a stage of social economic development characterised by important strategic opportunities, it has become increasingly difficult to sustain rapid economic growth, while more intricate conflicts and challenges are expected ahead. With rising income and the cost for production means, the low-cost advantage in relation to labour, resources and land, etc, which previously supported fast economic growth, will be less prominent than before, and we will be compelled to settle for a slim profit margin primarily on the back of low-cost labour. As such, we have to cultivate new competitive edges instead of passively accepting the loss of our previous comparative advantage. With the current problem of excessive global production capacity being aggravated by the financial crisis, the traditional model of industrialisation would be hard to sustain given excessive industrial production capacity, intensifying conflicts between resources consumption and environmental preservation and declining investment returns. Constrained by global economic imbalances and corrections, a dwindling low-cost advantage and increasing pressure on exchange rate hikes, external demand as a major economic driver will be difficult to sustain. As such, the Group will speed up industry development with its focus shifted from quantity to quality. Moreover, the Group will expedite its efforts to break the bottlenecks currently experienced in production-based services such as research and development, design, standardisation, marketing, supply chain and brand building, which have imposed restrictions on its attempts in industrial conversion and upgrade. We will also pace up efforts in the cultivation of new strategic energy-efficient businesses and expedite product structure adjustments.

管理層討論與分析(續)

業務展望

中國仍處於經濟社會發展的重要戰略機遇期，但保持經濟較快增長的難度在增加，面臨的矛盾和挑戰將更加複雜。隨著收入水準提高和生產要素成本上升，原先支撐經濟較快增長的勞動力、資源和土地等低成本優勢開始減弱，主要依靠低成本勞動力換取微薄利潤，必須打破對比較優勢的被動適應，培育新的競爭優勢。當前，國際金融危機使全球行業產能過剩的矛盾明顯加劇，在工業產能過剩、資源環境矛盾加劇、投資效益開始下滑等因素的限制下，傳統工業化模式將難以繼續伸延。在全球失衡再調整、低成本優勢開始減弱、匯率上升壓力加大等因素作用下，外需作為經濟提速主要動力將難以持久。有見及此，本集團將加快推進產業發展，從規模擴張為主轉變為向素質提升為主，亦加快突破制約產業轉型升級的研發、設計、標準、行銷、供應鏈、品牌培育等生產型服務環節，加快培育節能環保戰略性新興產業，加快推進產品結構調整。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Domestic consumption of home appliances is expected to sustain a stable growth in 2010, given the continued effect of government policies and measures to encourage consumption and improve farmers' income. Consumption upgrade, energy saving and environment-friendly green products will gradually become dominant themes for consumers of new era, as industries and product structures will also be adjusted in line with a gradual transition towards environment-friendly, low-carbon and direct current features. Meanwhile, realistic demand for housing driven by accelerated urbanisation in the PRC and per capita income growth will provide a strong support to the growth of our domestic home appliance business in the medium to long term. In the second half of 2010, the potential of domestic demand for consumption on home appliances will be further unleashed, especially in rural markets. With a bullish outlook for market size and development prospects, the motor sector will sustain growth given increasing demand from end-users and industrial upgrade.

Capitalising on the unprecedented opportunity arisen from the PRC government's active promotion of environment-friendly practices, energy conservation, low carbon consumption and product upgrade and replacement, the Group will continue to focus on its motor business with further efforts to improve the business of its existing niche products, to expand its existing business scale and to explore production potential and competitive edges. At the same time, the Group will continue to prioritise technology innovations and increase investments in technology research and development. New product development will be accelerated with special emphasis on the transformation of manufacturing capabilities, exploration and creation of new growth niche and enhancement of investment efficiency. The Group will increase its efforts in the recruitment, internal training and promotion of key technical personnel and the cultivation of key technologies. We will further implement lean production and continue to optimise cost management. These measures will bolster our core competitiveness and strengthen our market position, thereby ensuring stable development in the long term. The Group will strive to position itself as an excellent global expert providing systematic solutions in motors to customers with an aim to create sustainable and incremental returns to shareholders, sound career development opportunities for its employees and greater value and benefits for the society.

管理層討論與分析(續)

二零一零年，預計在政府鼓勵消費、促進農民增收等政策措施的繼續作用下，國內家電消費將會繼續保持平穩增長，消費升級，節能、環保、綠色產品逐步成為時代消費主題，產業、產品結構也會向環保、低碳及直流化方向逐步過渡、調整。同時，隨著中國城鎮化進程的加快，居民收入水準的提高，房地產剛性需求難以改觀都是國內家電中、長期增長的有力保障。二零一零年下半年，家電內需的消費潛力將會被進一步激發釋放，尤其是農村消費潛能的釋放，市場規模及發展前景依然看好，電機產業在終端需求增長及行業升級的帶動下將繼續保持增長態勢。

本集團將抓住中國政府積極推進環保節能、低碳及產品升級換代重大歷史機遇，持續專注於電機領域，繼續深化經營好現有優勢產品，發展現有規模、不斷發掘製造潛力及優勢，同時，重視技術創新，加大技術研發的資源投入，加快全新產品的拓展，重點關注製造能力轉型以及新增長點的挖掘與創新，提升投資效率；加大關鍵技術人才引進力及人才梯隊建設，培育關鍵技術，引進核心人才；深入推行精益生產，優化成本管理，提升企業核心競爭力，進一步強化市場地位，確保長期穩健發展。力爭成為全球卓越的電機製造專家，為客戶提供系統的電機解決方案。為股東提供可持續的增長性回報，為員工提供良好的職業發展機遇，為社會創造更大的價值。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Group will endeavor to reinforce its global leading position in micro motor for air-conditioning motors through product sophistication and specialisation, with special emphasis on the three strategic products (commercial motors, direct current motors and compressor motors). We will continue to extend the scope of our technological and product applications and increase investments to enhance the competitiveness of our products. Our washing motor business will go into further depths exploring the market for our core products of series motors, wave-wheel motors and dishwasher pumps. We intend to develop our core competence based on our superiority of overall production capability, quality control and customer service, while continuing to increase our market share in sub-segments so as to consolidate and enhance our position and business scale with an aim to achieve all our core products to be ranked among the top three in the world within three years. In addition, the Group will seek to develop its strategic products market represented by food processing motors, vehicle motors and direct current motors. We will further develop our competitive advantages in advanced technologies and scale expansion by increasing investments on a continuous basis so as to enlarge our market share and create a driver for sustainable growth. In the meantime, the Group will reinforce the foundation for its long-term development with vigorous research efforts underpinned by the development of new incubate products such as electrical tool motors, motors for high-end office equipment and industry-driven motors, to be launched at such opportune timing as market trends may justify.

Shanxi Huaxiang Investment Co., Ltd. will establish itself in the high-end casting industry by ongoing recruitment of high-calibre personnel and introduction of high-end equipment and devices featuring novel technologies. While enhancing our existing scale, we will step up with efforts to improve our casting standards for large-size, light-weight, precision-based, digitalised and clean products and develop high-quality, meticulous, highly efficient and clean casting technologies, so as to strengthen our core competitiveness and further fulfill the requirements of national policies, thereby consolidating and expanding our market share while enhancing our market position.

管理層討論與分析(續)

微電機業務將進一步做深、做專空調電機，確保其全球第一的市場地位，重點拓展商用電機、直流電機、壓縮機電機三大戰略產品，不斷延伸技術及產品應用領域，持續加大資源投入，提高產品競爭力。洗滌電機業務將深入挖掘以串激電機、波輪電機、洗碗機泵為代表的核心產品市場，發展以整體生產運作能力、品質控制水準、市場服務水準為核心的競爭力，持續提高細分市場佔有率，鞏固並提升市場地位與規模，確保三年內核心產品均達到全球行業前三；大力發展以食品加工電機、汽車電機、直流電機為代表的戰略產品市場，持續加大資源投入，逐步實現技術領先和規模發展的競爭優勢，提高市場份額，為本集團提供持續增長的動力；另外，本集團將同時積極儲備以電動工具電機、辦公高檔電機、工業驅動電機為代表的新型培育產品的研發，把握市場動向，適時切入，奠定長期發展基礎。

山西華翔投資有限公司將立足高端鑄件行業，持續加大高素質人才的建設，大力發展高端裝備、新興技術裝備，在不斷深化現有規模的基礎上，加快大型化、輕量化、精密化、數位化及清潔化的鑄造水準，發展優質、精密、高效、清潔鑄造技術，提升企業的核心競爭力，進一步符合國家政策的要求，穩固並加大市場，強化市場地位。

SHARE OPTION SCHEME

The Company adopted a share option scheme as approved by the shareholders of the Company at an extraordinary general meeting held on 27 June 2003 (the "Share Option Scheme").

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the Share Option Scheme include the directors (including executive directors and non-executive directors) or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or directors of the Group, as to be determined by the board at its absolute discretion within the above categories.

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under the Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of such limit is subject to the approval of shareholders in general meeting of the Company.

購股權計劃

本公司採納經由本公司股東於二零零三年六月二十七日舉行之股東特別大會上批准之購股權計劃（「購股權計劃」）。

購股權計劃之目的，是讓本公司吸引、挽留及激勵有才幹之參與者為本集團之未來發展及擴展積極努力，並使本公司能以更靈活之方式向參與者提供獎勵、獎賞、酬勞、報酬及／或福利。購股權計劃之合資格參與者包括本集團之董事（包括執行董事及非執行董事）或僱員、本集團之顧問或專業諮詢人士、本公司之主要股東或其僱員、本公司之董事、最高行政人員或主要股東之任何聯繫人、本集團供應商或客戶之僱員或董事、本集團僱員或董事所設立之全權信託之任何全權受益人（由董事會在上述人士中全權酌情決定）。

購股權計劃及本公司採納之任何其他購股權計劃項下所有授出但尚未行使之購股權獲行使時，可予發行之最高股份數目合共不得超過本公司不時已發行股份之30%。購股權計劃及本公司任何其他購股權計劃項下所有將予授出之購股權獲行使時，可予發行之股份總數合共不得超過本公司於購股權計劃採納日期已發行股份之10%，惟本公司可於股東大會上尋求股東批准，以更新購股權計劃下之10%限額。

於截至授出日期止任何十二個月期間，根據購股權計劃及本公司之任何其他購股權計劃授出之購股權獲行使時，已發行及將發行予每名參與者之股份總數不得超過本公司於授出日期已發行股份之1%。進一步授出超過此限額之購股權須經股東於本公司股東大會上批准。

SHARE OPTION SCHEME (Continued)

Share options granted under the Share Option Scheme to director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than 10 years from the date of the offer of the share options.

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the Company's share.

On 30 July 2007, 9,500,000 share options were granted to certain directors and employees at an exercise price of HK\$0.78 per share. The share options were exercisable immediately on the date of grant and will expire on 29 July 2017.

Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 9 December 2008, the 10% limit under the Share Option Scheme was refreshed ("Refreshment"). Upon the approval of the Refreshment, a maximum of 1,347,931,411 shares of the Company, being 10% of the issued share capital of the Company as at the date of approval of the Refreshment, may be issued upon exercise of the share options to be granted under the Share Option Scheme and all other share option schemes of the Company.

購股權計劃(續)

根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出之購股權，須獲本公司獨立非執行董事(不包括身為購股權承授人之任何獨立非執行董事)批准。此外，於截至授出日期(包括該日)止任何十二個月期間，向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出之任何購股權，倘若超過本公司於任何時間已發行股份之0.1%，或總值(根據本公司於各授出日期之股份收市價計算)超過港幣5,000,000元，則須經股東於本公司股東大會上批准。

承授人可於授出購股權當日起計28日內，支付象徵式代價港幣1元接納有關購股權。購股權之行使期可由董事釐定，由授出購股權當日起計10年內到期。

購股權之行使價將不低於下列之最高者(i)於授出購股權日期(該日必須為營業日)，本公司股份在香港聯合交易所有限公司(「聯交所」)每日報價表中所列之收市價；(ii)緊接授出購股權日期(該日必須為營業日)前五個營業日，本公司股份於聯交所每日報價表中所列之平均收市價；及(iii)本公司股份之面值。

於二零零七年七月三十日，若干董事及僱員獲授9,500,000份購股權，行使價為每股港幣0.78元。該等購股權於授出當日起即可行使，並將於二零一七年七月二十九日到期。

根據本公司股東於二零零八年十二月九日舉行之股東特別大會上通過之普通決議案，購股權計劃項下之10%限額已獲更新(「更新」)。批准更新後，本公司可於根據購股權計劃及本公司所有其他購股權計劃授出之購股權獲行使後，發行最高達1,347,931,411股本公司股份，即批准更新當日本公司已發行股本之10%。

SHARE OPTION SCHEME (Continued)

On 9 January 2009, 375,000,000 share options were granted to certain Directors and employees at an exercise price of HK\$0.157 per share subject to a vesting scale in four tranches of 25% each and the achievement of the Company's performance target as set out in the Note below and such options will expire on 31 March 2017.

8,640,000 share options were exercised at the exercise price of HK\$0.157 per share by a Director of the Company and certain employees of the Group during the six months ended 30 June 2010. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was approximately HK\$0.39. As at 30 June 2010, 343,860,000 share options granted to certain Directors of the Company and employees of the Group were outstanding.

No share options were granted during the six months ended 30 June 2010.

購股權計劃(續)

於二零零九年一月九日，若干董事及僱員獲授375,000,000份購股權，行使價為每股港幣0.157元，惟需按四期各25%比例歸屬及達至本公司之表現目標(載於下文附註)，而該等購股權將於二零一七年三月三十一日到期。

本公司董事及本集團若干僱員於截至二零一零年六月三十日止六個月內以行使價每股港幣0.157元行使8,640,000份購股權。緊隨購股權行使日期前，本公司股份加權平均收市價約為港幣0.39元。於二零一零年六月三十日，本公司若干董事及本集團僱員獲授合共343,860,000份購股權尚未行使。

截至二零一零年六月三十日止六個月，並無授出購股權。

SHARE OPTION SCHEME (Continued)

購股權計劃(續)

Movements of the share options granted under the Share Option Scheme during the six months ended 30 June 2010 were as follows:

於截至二零一零年六月三十日止六個月內，根據購股權計劃授出之購股權變動如下：

Name 姓名	Date of grant 授出日期	Options held at 1 January 2010 於二零一零年一月一日持有之購股權	Options lapsed during the period 於期內失效之購股權	Options exercised during the period 於期內行使之購股權	Options held at 30 June 2010 於二零一零年六月三十日持有之購股權	Exercise price per option 每份購股權之行使價 HK\$ 港幣	Exercisable period 行使期	Closing price immediately before the date of grant 緊隨授出日期前之收市價 HK\$ 港幣
Directors								
董事								
Mr. Cai Qiwu 蔡其武先生	09/01/2009	68,000,000	—	—	68,000,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Mr. Jiang Deqing 姜德清先生	09/01/2009	36,000,000	—	—	36,000,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Mr. Qu Fei 瞿飛先生	09/01/2009	22,000,000	—	—	22,000,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Mr. Gao Fazhong 郜發忠先生	09/01/2009	25,000,000	—	—	25,000,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Mr. Lam Ming Yung 林明勇先生	30/07/2007	2,000,000	—	—	2,000,000	0.78	30/07/2007-29/07/2017	0.77
	09/01/2009	5,000,000	—	—	5,000,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Ms. Chen Chunhua 陳春花女士	30/07/2007	2,000,000	—	—	2,000,000	0.78	30/07/2007-29/07/2017	0.77
	09/01/2009	5,000,000	—	—	5,000,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Ms. Tan Xuemei (resigned on 18 April 2010) 譚雪梅女士 (於二零一零年四月十八日辭任)	09/01/2009	5,000,000	—	(1,140,000)	3,860,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Mr. Chan Wai Dune (resigned on 31 July 2009) 陳維端先生 (於二零零九年七月三十一日辭任)	30/07/2007	2,000,000	(2,000,000)	—	—	0.78	30/07/2007-29/07/2017	0.77
	09/01/2009	5,000,000	(5,000,000)	—	—	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Employees								
僱員								
In aggregate 合共	30/07/2007	3,500,000	—	—	3,500,000	0.78	30/07/2007-29/07/2017	0.77
	09/01/2009	179,000,000	—	(7,500,000)	171,500,000	0.157	01/04/2010-31/03/2017 (Note) (附註)	0.151
Total 合計		359,500,000	(7,000,000)	(8,640,000)	343,860,000			

SHARE OPTION SCHEME (Continued)

Notes:

The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

1. the first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
2. the second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
3. the third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
4. the remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

購股權計劃(續)

附註：

上述授出購股權之代價為港幣1元。於二零零九年一月九日授出之購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

1. 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自自己終止經營業務之業績)(「二零零八年純利」)之100%；
2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

SHARE OPTION SCHEME (Continued)

The fair value of the options are determined used the “Binomial Valuation model” (the “Model”). Key assumptions of the Model are set out below:

Date of Grant:	授出日期:	9 January 2009 二零零九年 一月九日	30 July 2007 二零零七年 七月三十日
Risk-free rate:	無風險利率:	1.299%	4.13%
Expected dividend yield:	預期股息率:	3%	0%
Expected volatility of the market price of the Company's shares:	本公司股份市價預期波幅:	52.34%	65.38%
Expected option life:	預期購股權期限:	8.2 years年	5.23 years年
Fair value as at the date of grant (approximately):	授出日期之公平值(約數):	HK\$港幣 25,229,000元	HK\$港幣 3,453,000元

The Model requires the input of subjective assumptions, including the volatility of share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the Directors' opinion, the Model does not necessarily provide a reliable single measure of the fair value of share options.

購股權計劃(續)

購股權之公平值採用「二項式估值模型」(「該模型」)釐定。該模型所採用之主要假設載列如下:

該模型包括股價波幅等主觀假設成份。由於主觀假設之變更會嚴重影響估計公平值，故董事認為，該模型未必能為購股權公平值提供可靠之單一計算方法。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN EQUITY AND DEBT SECURITIES

As at 30 June 2010, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the laws of Hong Kong), as recorded in the register required to be kept by the Company under Section 352 of the SFO or which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Interests in share options of the Company (long position)

The interests of the Directors' rights to acquire shares of the Company under the Share Option Scheme are set out in detail in the above section of "Share Option Scheme".

Save as disclosed above, at no time during the six months ended 30 June 2010 was the Company, its subsidiaries, its associated corporations, its fellow subsidiaries or its holding company, a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of the shares in, or debentures of, the Company or its associated corporation (within the meaning of the SFO), or had exercised any such right during the period.

Other than those interests disclosed above, as at 30 June 2010, none of the Directors and the chief executive of the Company (including their spouses or children under the age of 18 years old) had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which is required to be recorded and kept in the register in accordance with section 352 of the SFO, or notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員於股本證券及債務證券之權益

於二零一零年六月三十日，本公司董事及最高行政人員在本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有須記入本公司根據證券及期貨條例第352條所述而存置之登記冊之權益及淡倉，或根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例該董事或最高行政人員擁有或被當作視為擁有之權益及淡倉)，或根據聯交所證券上市規則(「上市規則」)中上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

於本公司之購股權權益(好倉)

董事根據購股權計劃可認購本公司股份之權利詳載於上文「購股權計劃」一節。

除上文所披露者外，於截至二零一零年六月三十日止六個月內，本公司、其附屬公司、其相聯法團、其共同系附屬公司或其控股公司概無參與任何安排，致使本公司董事或最高行政人員藉購入本公司或其相聯法團(定義見證券及期貨條例)之任何股份或債券而獲益，或於期內行使任何該等權利。

除上文所披露之權益外，於二零一零年六月三十日，本公司董事及最高行政人員(包括彼等之配偶及十八歲以下子女)並無擁有本公司或其相關法團(定義見證券及期貨條例)之股份、相關股份或債券之任何權益或淡倉而須根據證券及期貨條例第352條記入及存置於登記冊內，或須根據標準守則知會本公司及聯交所。

SUBSTANTIAL SHAREHOLDERS' INTERESTS**主要股東權益**

As at 30 June 2010, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company as record in the register required to be kept under Section 336 of the SFO:

根據證券及期貨條例第336條須存置之登記冊顯示，於二零一零年六月三十日，下列人士（董事或本公司最高行政人員除外）於本公司之股份及相關股份中擁有權益或淡倉：

Name of shareholder		Number of shares held	Approximate percentage of shareholding
股東姓名／名稱		持有股份數目	持股概約百分比
Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") (Note 1)	Long position	9,506,023,897	67.48%
美的控股(開曼群島)有限公司(「美的(開曼群島)」)(附註1)	好倉		
Midea Investment Holding (BVI) Limited ("Midea Holding") (Note 2)	Long position	9,506,023,897	67.48%
美的控股(BVI)有限公司(「美的控股」)(附註2)	好倉		
Midea Group Co., Ltd. ("Midea") (Note 3)	Long position	9,506,023,897	67.48%
美的集團有限公司(「美的」)(附註3)	好倉		
Foshan Shunde Midea Investment Holding Co., Ltd. (formerly known as Foshan Shunde Tiantuo Investment Co., Ltd.) ("Shunde Midea") (Note 4)	Long position	9,506,023,897	67.48%
佛山市順德區美的投資控股有限公司 (前稱為佛山市順德區天拓投資有限公司) (「順德美的」)(附註4)	好倉		
Mr. He Xiangjian (Note 5)	Long position	9,506,023,897	67.48%
何享健先生(附註5)	好倉		
Ms. Liang Fengchai (Note 6)	Long position	9,506,023,897	67.48%
梁鳳釵女士(附註6)	好倉		

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Notes:

1. These 9,506,023,897 shares of the Company were registered in the name of and beneficially owned by Midea (Cayman Islands).
2. Midea Holding was deemed to be interested in the 9,506,023,897 shares of the Company in which Midea (Cayman Islands) was interested by virtue of its holding 100% equity interest in Midea (Cayman Islands).
3. Midea was deemed to be interested in the 9,506,023,897 shares of the Company in which Midea Holding was deemed to be interested by virtue of its holding 100% equity interest in Midea Holding.
4. The registered capital of Midea is owned as to 84% by Shunde Midea. Accordingly, Shunde Midea was deemed to be interested in the 9,506,023,897 shares of the Company in which Midea was deemed to be interested by virtue of its holding 84% equity interest in Midea.
5. The registered capital of Shunde Midea is owned as to 94.55% by Mr. He Xiangjian. Accordingly, Mr. He Xiangjian was deemed to be interested in the 9,506,023,897 shares of the Company in which Shunde Midea was deemed to be interested by virtue of his holding 94.55% equity interest in Shunde Midea.
6. Ms. Liang Fengchai is the spouse of Mr. He Xiangjian and is therefore deemed to be interested in the 9,506,023,897 shares of the Company in which Mr. He Xiangjian was deemed to be interested.

Save as disclosed above, as at 30 June 2010, the Company is not aware of any other person who has an interest or a short position in the shares or underlying shares of the Company which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company pursuant to Section 336 of the SFO.

主要股東權益(續)

附註：

1. 美的(開曼群島)以其名義登記並實益擁有該等9,506,023,897股本公司股份。
2. 美的控股藉持有美的(開曼群島)100%股權而被視為於美的(開曼群島)擁有權益之9,506,023,897股本公司股份中擁有權益。
3. 美的藉持有美的控股100%股權而被視為於美的控股被視為擁有權益之9,506,023,897股本公司股份中擁有權益。
4. 順德美的擁有美的註冊資本之84%。因此，順德美的藉持有美的84%股權而被視為於美的被視為擁有權益之9,506,023,897股本公司股份中擁有權益。
5. 何享健先生擁有順德美的註冊資本之94.55%。因此，何享健先生藉持有順德美的94.55%股權而被視為於順德美的被視為擁有權益之9,506,023,897股本公司股份中擁有權益。
6. 梁鳳釵女士為何享健先生之配偶，因此，被視為於何享健先生被視為擁有權益之9,506,023,897股本公司股份中擁有權益。

除上文披露者外，於二零一零年六月三十日，本公司並不知悉任何其他人士於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部知會本公司及記入本公司根據證券及期貨條例第336條須存置之登記冊內。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its shares during the six months ended 30 June 2010. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct of the Company for Directors' securities transactions. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2010.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2010, the Company had complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The Company established its Audit Committee on 5 August 1999 to be responsible for ensuring the integrity of the financial statements of the Group, reviewing the effectiveness of internal control and risk management system of the Group. All members of the Audit Committee are independent non-executive Directors, namely, Mr. Tan Jinsong (Chairman), Mr. Lam Ming Yung and Ms. Chen Chunhua. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2010 and agreed to the accounting policies and practices adopted by the Group.

購買、出售或贖回上市證券

本公司於截至二零一零年六月三十日止六個月內並無贖回本身之股份。本公司或其任何附屬公司於該期間內亦無購買或出售任何本公司之股份。

遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則，作為本公司董事進行證券交易之操守守則。經向董事作出特定查詢後，全體董事確認，彼等已於截至二零一零年六月三十日止六個月內一直遵守標準守則。

遵守企業管治常規守則

於截至二零一零年六月三十日止六個月內，本公司一直遵守上市規則附錄十四所載之企業管治常規守則之守則條文。

審核委員會

本公司於一九九九年八月五日成立審核委員會，負責確保本集團財務報表之完整性；檢討本集團內部監控及風險管理制度之成效。審核委員會所有成員均為獨立非執行董事，即譚勁松先生(主席)、林明勇先生及陳春花女士所組成。審核委員會已審閱本集團截至二零一零年六月三十日止六個月之未經審核中期業績，並同意本集團所採納之會計政策及常規。

REMUNERATION COMMITTEE

The Company established its remuneration committee (the “Remuneration Committee”) on 22 September 2005 to be responsible for determining the remuneration of the executive Directors and senior management of the Company and making recommendation on the remuneration of the non-executive Directors to the Board. The Remuneration Committee comprises three independent non-executive Directors, namely, Ms. Chen Chunhua (Chairman), Mr. Tan Jinsong and Mr. Lam Ming Yung and two executive Directors, namely, Mr. Cai Qiwu and Mr. Zheng Weikang.

UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Ms. Tan Xuemei resigned as a non-executive Director of the Company on 18 April 2010.

On behalf of the Board
Cai Qiwu
Chairman
Hong Kong, 30 August 2010

薪酬委員會

本公司於二零零五年九月二十二日成立薪酬委員會(「薪酬委員會」)，負責釐定本公司執行董事及高級管理人員之薪酬，並就非執行董事之薪酬向董事會提出推薦意見。薪酬委員會由三名獨立非執行董事包括陳春花女士(主席)、譚勁松先生及林明勇先生以及兩名執行董事蔡其武先生及鄭偉康先生所組成。

根據上市規則第13.51B(1)條更新董事資料

譚雪梅女士已於二零一零年四月十八日辭任本公司非執行董事。

代表董事會
主席
蔡其武
香港，二零一零年八月三十日

